

ORDINANCE NO. 20120628-080

AN ORDINANCE AUTHORIZING THE DEFEASANCE AND REDEMPTION IN WHOLE OF ALL OUTSTANDING AIRPORT SYSTEM VARIABLE RATE REVENUE NOTES, SERIES A OF THE CITY; AND ENACTING OTHER RELATED PROVISIONS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. FINDINGS.

(A) Pursuant to Ordinance No. 98-0205-A adopted on February 5, 1998 (Note Ordinance), the City of Austin (City) previously issued and has outstanding its Airport System Variable Rate Revenue Notes, Series A (Notes) in the aggregate principal amount of \$28,000,000.

(B) The Note Ordinance contains some capitalized terms that are used in this ordinance. Those terms have the same meaning in this ordinance as they do in the Note Ordinance.

(C) Pursuant to the provisions of Chapter 1207, Texas Government Code (Chapter 1207), the City may deposit available funds directly with a paying agent for any of the obligations which it wishes to pay or redeem, in whole or in part, in an amount sufficient to provide for the payment or redemption of such obligations.

(D) Pursuant to Chapter 1207, such a deposit constitutes the making of firm banking and financial arrangements for the discharge and final payment or redemption of the obligations to be paid or redeemed.

(E) To provide such firm financial and banking arrangements for the payment and discharge of the Notes in whole, council desires to (i) authorize lawfully available funds to be deposited directly with the Paying Agent/Registrar for the Notes in an amount sufficient to provide for the payment and discharge of the principal of and interest on the Notes as they become due and payable and (ii) amend the fiscal year 2011-2012 Airport Capital Fund Operating Budget of the Aviation Department to accommodate such payment and discharge of the Notes.

(F) Such deposit with the Paying Agent/Registrar shall constitute the making of firm banking and financial arrangements for the payment of the Notes in whole, and upon such deposit the Notes shall be deemed paid and shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose.

(G) Council has determined to call all outstanding Notes for redemption prior to their scheduled maturities.

(H) Council has determined that it is necessary and desirable to authorize the Paying Agent/Registrar of the Notes to provide written notice of redemption to the registered holders of the Notes and to any other parties requiring notice thereof in accordance with the terms of the Note Ordinance.

PART 2. AUTHORIZATION.

(A) The making of firm banking and financial arrangements for the discharge and payment of the Notes is approved. The mayor, any designee of the mayor, the city manager, any designee of the city manager, the chief financial officer of the City, the city clerk, the Aviation Director and the city treasurer (each, an Authorized Officer) are authorized and directed to use any lawfully available funds of the City and to take all actions necessary or desirable to make such firm banking and financial arrangements and to pay all costs incurred by the City in connection therewith.

(B) The Fiscal Year 2011-2012 Airport Capital Fund Operating Budget of the Aviation Department (Ordinance No. 20110912-005) is amended by increasing transfers into and out of the Airport Variable Rate Bond Debt Service Fund by \$28,000,000 for the making of the firm banking and financial arrangements and payment of the costs associated with the discharge and payment of the Notes.

(C) The City irrevocably calls all outstanding Notes for redemption prior to maturity on the first optional redemption date for which all of the notice requirements for redemption can reasonably be met, at the redemption price set forth in the Note Ordinance. Each Authorized Officer is authorized and directed to take all actions necessary or desirable to effect the redemption in whole of the Notes, all in accordance with the provisions of the Note Ordinance and this ordinance at the times and in the manner as they decide are appropriate.

(D) The Paying Agent is authorized and directed to take all actions and give all notices as may be necessary or desirable to effect the redemption of the Notes in accordance with the terms of the Note Ordinance.

PART 3. FURTHER PROCEDURES. Each Authorized Officer is authorized and directed to do any and all things necessary or convenient to carry out the terms of this ordinance.

PART 4. SEVERABILITY. The provisions of this ordinance are severable. If any provision of this ordinance or its applications to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this ordinance.

PART 5. OPEN MEETING. The City posted sufficient written notice of the date, hour, place, and subject of the meeting of the city council at which this ordinance was adopted at a place convenient and readily accessible at all times to the general public at the Austin City Hall for the time required by the Open Meetings Law, Chapter 551, Texas Government Code. This meeting has been open to the public as required by law at all times during which this ordinance and its subject matter were discussed, considered, and formally acted upon. The city council ratifies, approves, and confirms such written notice, its contents, and its posting.

PART 6. REPEALER. All orders, resolutions, and ordinances (other than the Note Ordinance), or their parts that are inconsistent with this ordinance are repealed only to the extent needed to eliminate the inconsistency.

PART 7. EFFECTIVE IMMEDIATELY. This ordinance takes effect immediately on its passage pursuant to Section 1201.028, Texas Government Code.

PASSED AND APPROVED

_____, June 28, 2012

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Lee Deffingwell
Mayor

APPROVED: _____
Karen M. Kennard
City Attorney

ATTEST: _____
Shirley A. Gentry
City Clerk